

**SUCCESSOR AGENCY TO THE SAN FERNANDO
REDEVELOPMENT AGENCY**

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON DUE DILIGENCE
REVIEW PROCEDURES**

**ALL OTHER FUNDS (EXCLUDING THE LOW AND
MODERATE INCOME HOUSING FUND)**

**SUCCESSOR AGENCY TO THE SAN FERNANDO
REDEVELOPMENT AGENCY
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**CERTIFIED
PUBLIC
ACCOUNTANTS
& BUSINESS
ADVISORS**

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON DUE DILIGENCE REVIEW PROCEDURES

Successor Agency to the San Fernando Redevelopment Agency
City of San Fernando, California

We have performed the due diligence review procedures enumerated below, which were agreed to by the Successor Agency to the San Fernando Redevelopment Agency, the California State Controller's Office, and the Department of Finance, solely to assist you in determining the unobligated balances in all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) available to transfer to taxing entities pursuant to California Health and Safety Code Section 34179.5(c). Management of the Successor Agency is responsible for the accounting records pertaining to the unobligated balances. This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Obtain from the Successor Agency a listing of all assets that were transferred from all other funds of the former redevelopment agency (excluding the Low and Moderate Income Housing Fund) to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

We noted that assets of \$7,955,467 were transferred from all other funds of the former redevelopment agency (excluding the Low and Moderate Income Housing Fund) to the Successor Agency on February 1, 2012. Refer to Exhibit 2.

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from all other funds of the former redevelopment agency (excluding the Low and Moderate Income Housing Fund) to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

We noted 14 transfers amounting to \$2,252,840 from all other funds of the former redevelopment agency (excluding the Low and Moderate Income Housing Fund) to the City of San Fernando for the period January 1, 2011 through January 31, 2012. Out of the 14 transfers, we noted eight transfers of real property with a total cost of \$1,353,398 (net of accumulated depreciation) and a transfer of cash in the amount of \$229,000, for a total of \$1,582,398, for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist. Refer to Exhibit 3.

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from all other funds (excluding the Low and Moderate Income Housing Fund) of the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Per the Successor Agency, there were no transfers from all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) to the City of San Fernando for the period February 1, 2012 through June 30, 2012.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Refer to Exhibit 3 for the legal document that formed the basis for the enforceable obligation that required the transfers.

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from all other funds of the former redevelopment agency (excluding the Low and Moderate Income Housing Fund) to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

We noted 18 transfers in the amount of \$2,336,946 from all other funds of the former redevelopment agency (excluding the Low and Moderate Income Housing Fund) to other public agencies or to private parties for the period January 1, 2011 through January 31, 2012. Out of the 18 transfers, we noted one transfer in the amount of \$13,414 for which an enforceable obligation requiring such transfer did not exist. Refer to Exhibit 4.

B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

We noted three transfers in the amount of \$461,336 from all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) to other agencies or to private parties for the period February 1, 2012 through June 30, 2012. Refer to Exhibit 5.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Refer to Exhibits 4 and 5 for the legal documents that formed the basis for the enforceable obligations that required the transfers.

4. Perform the following procedures:

- A. Obtain from the Successor Agency a summary of the financial transactions of the redevelopment agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End-of-year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.

Refer to Exhibit 6 for a summary of financial transactions of the former redevelopment agency for the years ended June 30, 2010 and 2011 and for the period July 1, 2011 through January 31, 2012, and for the Successor Agency for the period February 1, 2012 through June 30, 2012. All amounts include all of the funds of the former redevelopment agency and the Successor Agency.

- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers account fully for the changes in equity from the previous fiscal period.

No exceptions noted.

- C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the State Controller's report filed for the redevelopment agency for that period.

No exceptions noted.

- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

We compared the amounts for the fiscal years ended June 30, 2010 and 2011 to the audited financial statements of the former redevelopment agency. The amounts for the seven months ended January 31, 2012 and five months ended June 30, 2012 were traced to account balances in the trial balances of the former redevelopment agency and the Successor Agency, respectively. No exceptions noted.

5. Obtain from the Successor Agency a listing of all assets of all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) as of June 30, 2012 for the report that is due December 15, 2012. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Refer to Exhibit 7 for a listing of the assets of all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) amounting to \$8,937,792 as of June 30, 2012.

6. Obtain from the Successor Agency a listing of asset balances of all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) held on June 30, 2012 that is restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

We noted unspent bond proceeds in the amount of \$19,520. Refer to Exhibit 8.

B. Grant proceeds and program income that are restricted by third parties:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Per the Successor Agency, there are no grant proceeds or program income that are restricted by third parties.

C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor Agency as restricted.

We noted other assets in the amount of \$1,852,108 considered to be legally restricted. Refer to Exhibit 8.

D. Attach the above-mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Refer to Exhibit 8.

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets balances of all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.

We noted assets of \$7,100,910 that are not liquid or otherwise available for distribution. Refer to Exhibit 9. All assets listed on Exhibit 9 are listed at purchase cost.

- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

We compared the assets listed on Exhibit 9 to previously audited financial statements and noted some differences. Refer to Exhibit 9.

- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.

Refer to Exhibit 9.

- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

This procedure is not applicable.

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
 - i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
 - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
 - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

Per the Successor Agency, cash amounting to \$1,601,453 is dedicated for the funding of enforceable obligations listed on the approved ROPS for the period July 1, 2012 through December 31, 2012 (ROPS 2). The amount was received from the County of Los Angeles prior to June 30, 2012 and was included in the cash balance at June 30, 2012. Refer to Exhibit 10 for the detail of cash balances that are dedicated for the funding of ROPS 2 obligations.

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six-month period from January 1, 2012 through June 30, 2012 and for the six-month period July 1, 2012 through December 31, 2012.
 - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
 - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
 - iii. For the forecasted annual revenues:
 - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

The Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) are not sufficient to pay bond debt service payments. However, the available cash balance is only sufficient to cover spending requirements for period July 1, 2012 through December 31, 2012. No future projections were performed.

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
 - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

This procedure is not applicable.

- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
 - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that need to be retained.
 - iii. Include the calculation in the AUP report.

Refer to Exhibit 11.

9. If the Successor Agency believes that all other funds (excluding the Low and Moderate Income Housing Fund) cash balances as of June 30, 2012 need to be retained to satisfy obligations on the ROPS for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

We noted assets in the amount of \$2,727,900 that need to be retained to satisfy obligations on the approved ROPS for the period of July 1, 2012 through June 30, 2013. However, there are insufficient funds available to be retained. The remaining cash balances available to be retained equal \$1,317,813. Refer to Exhibit 10.

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities from all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund). Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Refer to Exhibit 1 for a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities from all other funds (excluding the Low and Moderate Income Housing Fund).

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

A representation letter was obtained from the Successor Agency.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the calculation of the unobligated balances in all other funds of the Successor Agency (excluding the Low and Moderate Income Housing Fund) available to transfer to taxing entities pursuant to California Health and Safety Code Section 34179.5(c). Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Successor Agency, Oversight Board, County Auditor-Controller, and applicable State agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Eadie and Payne LLP

December 14, 2012
Redlands, California

**SUCCESSOR AGENCY TO THE SAN FERNANDO
REDEVELOPMENT AGENCY
SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO
AFFECTED TAXING ENTITIES**

Total amount of assets held by the Successor Agency as of June 30, 2012 - Exhibit 7		\$ 8,937,792
Add the amount of any assets transferred to the City or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist - Exhibit 3 and 4		1,595,812
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments - Exhibit 8		1,871,628
Less assets that are not liquid or otherwise available for distribution - Exhibit 9		7,100,910
Less current unrestricted balances that need to be retained - Exhibit 14		
Less Dedicated Balances Needed to Satisfy ROPS Obligations for the 2012-2013 Fiscal Year - Exhibit 10		
Cash dedicated for ROPS 2 obligations	\$ 1,601,453	
Cash deficit	<u>(283,640)</u>	1,317,813
Less Unrestricted Balances Needed to Satisfy Future ROPS Obligations Fiscal Year 2012-2013 - Exhibit 11		
Unrestricted balances needed for future ROPS obligations	1,015,655	
Insufficient funds	<u>(1,015,655)</u>	-
Less the Amount Due to the County Auditor-Controller Pursuant to Health and Safety Code Section 34183.5(b) per Notice of Demand for Payment Issued on July 9, 2012		
Total amount due	512,059	
Unpaid pass-through obligations	<u>(268,806)</u>	<u>243,253</u>
Amount to be remitted to County for disbursement to taxing entities		\$ <u>-</u>

SUCCESSOR AGENCY TO THE SAN FERNANDO
 REDEVELOPMENT AGENCY
**LISTING OF ASSETS TRANSFERRED FROM THE FORMER REDEVELOPMENT
 AGENCY TO THE SUCCESSOR AGENCY ON FEBRUARY 1, 2012**

<u>Asset Description</u>	<u>Capital Project Funds</u>	<u>Debt Service Funds</u>	<u>Fixed Assets</u>	<u>Total Funds</u>
Cash	\$ (1,783,517)	\$ 2,139,357		\$ 355,840
Cash with fiscal agent - restricted		1,852,116		1,852,116
Notes receivable		5,238,087		5,238,087
Land held for resale	468,732			468,732
Capital Assets Not Being Depreciated				
Land			\$ 37,286	37,286
Capital Assets Being Depreciated				
Machinery and equipment			5,413	5,413
Less: Accumulated depreciation	-	-	(2,007)	(2,007)
Totals	<u>\$ (1,314,785)</u>	<u>\$ 9,229,560</u>	<u>\$ 40,692</u>	<u>\$ 7,955,467</u>

**SUCCESSOR AGENCY TO THE SAN FERNANDO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT
AGENCY TO THE CITY OF SAN FERNANDO
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

<u>Amount of Transfer</u>	<u>Effective Date of Transfer</u>	<u>Purpose of Transfer</u>	<u>Basis of Transfer</u>	<u>Footnote</u>
\$ 5,505	3/7/2011	Transfer of real property to City of San Fernando to aid and cooperate in the operation of redevelopment projects - APN 2522004905 City Parking Lot No. 10	Resolution No. 1098 dated March 7, 2011	(1)
30,020	3/7/2011	Transfer of real property to City of San Fernando to aid and cooperate in the operation of redevelopment projects - APN 2522014901 City Parking Lot No. 10	Resolution No. 1098 dated March 7, 2011	(1)
103,454	3/7/2011	Transfer of real property to City of San Fernando to aid and cooperate in the operation of redevelopment projects - APN 2522014900 City Parking Lot No. 8	Resolution No. 1098 dated March 7, 2011	(1)
78,479	3/7/2011	Transfer of real property to City of San Fernando to aid and cooperate in the operation of redevelopment projects - APN 2521034905 City Parking Lot No. 5	Resolution No. 1098 dated March 7, 2011	(1)
30,710	3/7/2011	Transfer of real property to City of San Fernando to aid and cooperate in the operation of redevelopment projects - APN 2521031903 City Parking Lot No. 3	Resolution No. 1098 dated March 7, 2011	(1)

Footnotes:

(1) Capital assets amounting to \$1,353,398 were transferred from the former redevelopment agency to the City of San Fernando on March 7, 2011. The assets consist of vacant land and parking lots initially purchased by the City but then transferred to the former redevelopment agency to be developed. Furthermore, City Parking lot No. 6N APN 2519001903 was transferred at no cost. The City is currently maintaining the properties and desires to hold the capital assets per Health and Safety Code Section 34191. Properties have not yet been transferred back to the Successor Agency as of June 30, 2012. The City is awaiting Oversight Board approval to continue to hold ownership of the properties. The amounts were added back to the Successor Agency's list of assets as of June 30, 2012.

**SUCCESSOR AGENCY TO THE SAN FERNANDO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT
AGENCY TO THE CITY OF SAN FERNANDO (Continued)
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

<u>Amount of Transfer</u>	<u>Effective Date of Transfer</u>	<u>Purpose of Transfer</u>	<u>Basis of Transfer</u>	<u>Footnote</u>
\$ 70,503	3/7/2011	Transfer of real property to City of San Fernando to aid and cooperate in the operation of redevelopment projects - APN 2522003900, 2522003901, 2522003902, and 2522003903 City Parking Lot No. 11	Resolution No. 1098 dated March 7, 2011	(1)
34,727	3/7/2011	Transfer of real property to City of San Fernando to aid and cooperate in the operation of redevelopment projects - APN 2522003904 and 2522003905 City Parking Lot No. 12	Resolution No. 1098 dated March 7, 2011	(1)
1,000,000	3/7/2011	Transfer of real property to City of San Fernando to aid and cooperate in the operation of redevelopment projects - APN 2521016900 1320 San Fernando Road	Resolution No. 1099 dated March 7, 2011	(1)
161,773	3/11/2011	Pass-through tax increment to the City of San Fernando pursuant to Health and Safety Code Sections 33607.5 and 33607.7.	Health and Safety Code Sections 33607.5 and 33607.7	
183,670	12/5/2011	Pass-through tax increment to the City of San Fernando pursuant to Health and Safety Code Sections 33607.5 and 33607.7.	Health and Safety Code Sections 33607.5 and 33607.7	

Footnotes:

(1) Capital assets amounting to \$1,353,398 were transferred from the former redevelopment agency to the City of San Fernando on March 7, 2011. The assets consist of vacant land and parking lots initially purchased by the City but then transferred to the former redevelopment agency to be developed. Furthermore, City Parking lot No. 6N APN 2519001903 was transferred at no cost. The City is currently maintaining the properties and desires to hold the capital assets per Health and Safety Code Section 34191. Properties have not yet been transferred back to the Successor Agency as of June 30, 2012. The City is awaiting Oversight Board approval to continue to hold ownership of the properties. The amounts were added back to the Successor Agency's list of assets as of June 30, 2012.

**SUCCESSOR AGENCY TO THE SAN FERNANDO
REDEVELOPMENT AGENCY
DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT
AGENCY TO THE CITY OF SAN FERNANDO (Continued)
FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

<u>Amount of Transfer</u>	<u>Effective Date of Transfer</u>	<u>Purpose of Transfer</u>	<u>Basis of Transfer</u>	<u>Footnote</u>
\$ 220,000	5/16/2011	Payment to the City of San Fernando for the purchase of land located at 543-563 Glenoaks Boulevard.	Memorandum of Understanding for the conveyance of City yard to the Redevelopment Agency dated June 2, 2003	
229,000	5/25/2011	Payment to the City of San Fernando for the Project 4 start-up loan.	Resolution No. 532 dated June 20, 1994 accepting loans from the City of San Fernando to the Redevelopment Agency	(2)
100,367	6/30/2011	Portion of tax rate levied from the Project 4 tax revenues allocated to the Retirement Fund of the City of San Fernando.	Redevelopment plan for Redevelopment Project Area No. 4 adopted July 18, 1994, Ordinance No. 1447	
<u>4,632</u>	6/7/2011	Loan payment to the Enterprise Sewer Fund	Approved ROPS obligation: Note Purchase Agreement dated February 17, 2010 between the Agency and the Sewer Enterprise Fund	
<u>\$ 2,252,840</u>	Total amount of transfers to the City of San Fernando			
<u>\$ 1,582,398</u>	Total amount of transfers to be added back to the Successor Agency			
	Refer to Footnotes (1) and (2)			

Footnotes:

(2) The payment is not an enforceable obligation because the loan origination date was not within two years of the redevelopment agency's formation. The amount was added back to the Successor Agency's list of assets as of June 30, 2012.

**SUCCESSOR AGENCY TO THE SAN FERNANDO
 REDEVELOPMENT AGENCY
 DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT
 AGENCY TO OTHER PUBLIC AGENCIES OR TO PRIVATE PARTIES
 FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

<u>Amount of Transfer</u>	<u>Effective Date of Transfer</u>	<u>Purpose of Transfer</u>	<u>Basis of Transfer</u>	<u>Footnote</u>
\$ 64,575	3/7/2011	Transfer to Trustee to provide for debt service interest payment of City of San Fernando Public Financing Authority 1998 Refunding Revenue (Tax Allocation) Bonds (Agency Loans)	City of San Fernando Public Financing Authority 1998 Refunding Revenue (Tax Allocation) Bonds (Agency Loans) official bond statement	
172,448	3/7/2011	Transfer to Trustee to provide for debt service interest payment of San Fernando Redevelopment Agency Civic Center Redevelopment Project (Project No. 3) Tax Allocation Bonds, Series 2006	San Fernando Redevelopment Agency Civic Center Redevelopment Project (Project No. 3) Tax Allocation Bonds, Series 2006 official bond statement	
424,902	5/9/2011	SERAF pass-through payment to the County of Los Angeles pursuant to Health and Safety Code Section 33690	Health and Safety Code Section 33690	
64,575	9/6/2011	Transfer to Trustee to provide for debt service interest payment of City of San Fernando Public Financing Authority 1998 Refunding Revenue (Tax Allocation) Bonds (Agency Loans)	City of San Fernando Public Financing Authority 1998 Refunding Revenue (Tax Allocation) Bonds (Agency Loans) official bond statement	
570,000	9/6/2011	Transfer to Trustee to provide for debt service principal payment of City of San Fernando Public Financing Authority 1998 Refunding Revenue (Tax Allocation) Bonds (Agency Loans)	City of San Fernando Public Financing Authority 1998 Refunding Revenue (Tax Allocation) Bonds (Agency Loans) official bond statement	

**SUCCESSOR AGENCY TO THE SAN FERNANDO
 REDEVELOPMENT AGENCY
 DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT
 AGENCY TO OTHER PUBLIC AGENCIES OR TO PRIVATE PARTIES (Continued)
 FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

<u>Amount of Transfer</u>	<u>Effective Date of Transfer</u>	<u>Purpose of Transfer</u>	<u>Basis of Transfer</u>	<u>Footnote</u>
\$ 172,448	9/6/2011	Transfer to Trustee to provide for debt service interest payment of San Fernando Redevelopment Agency Civic Center Redevelopment Project (Project No. 3) Tax Allocation Bonds, Series 2006	San Fernando Redevelopment Agency Civic Center Redevelopment Project (Project No. 3) Tax Allocation Bonds, Series 2006 official bond statement	
660,000	9/6/2011	Transfer to Trustee to provide for debt service principal payment of San Fernando Redevelopment Agency Civic Center Redevelopment Project (Project No. 3) Tax Allocation Bonds, Series 2006	San Fernando Redevelopment Agency Civic Center Redevelopment Project (Project No. 3) Tax Allocation Bonds, Series 2006 official bond statement	
56,439	11/7/2011	DDA promissory note between the RDA and San Fernando Mission Partnership (Developer Loan) payment	DDA Promissory Note between the RDA and San Fernando Mission Partnership (Developer Loan) dated February 20, 1990	
13,414	11/7/2011	Section 108 HUD loan interest payment	Section 108 HUD loan agreement	(1)
10,796	12/5/2011	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - other tax sharing pass-through payment	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - other tax sharing pass-through payment	

Footnote:

(1) The payment is not an enforceable obligation because the loan is an obligation of the City of San Fernando, not the redevelopment agency.

**SUCCESSOR AGENCY TO THE SAN FERNANDO
 REDEVELOPMENT AGENCY
 DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT
 AGENCY TO OTHER PUBLIC AGENCIES OR TO PRIVATE PARTIES (Continued)
 FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

<u>Amount of Transfer</u>	<u>Effective Date of Transfer</u>	<u>Purpose of Transfer</u>	<u>Basis of Transfer</u>	<u>Footnote</u>
\$ 173	12/5/2011	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - other tax sharing pass-through payment	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - other tax sharing pass-through payment	
2,771	12/5/2011	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - other tax sharing pass-through payment	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - other tax sharing pass-through payment	
88,056	12/5/2011	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - education tax sharing pass-through payment	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - education tax sharing pass-through payment	
6,371	12/5/2011	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - other tax sharing pass-through payment	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - other tax sharing pass-through payment	
1,637	12/5/2011	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - education tax sharing pass-through payment	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - education tax sharing pass-through payment	
11,823	12/5/2011	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - education tax sharing pass-through payment	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - education tax sharing pass-through payment	

**SUCCESSOR AGENCY TO THE SAN FERNANDO
 REDEVELOPMENT AGENCY
 DETAIL OF TRANSFERS FROM THE FORMER REDEVELOPMENT
 AGENCY TO OTHER PUBLIC AGENCIES OR TO PRIVATE PARTIES (Continued)
 FOR THE PERIOD JANUARY 1, 2011 THROUGH JANUARY 31, 2012**

<u>Amount of Transfer</u>	<u>Effective Date of Transfer</u>	<u>Purpose of Transfer</u>	<u>Basis of Transfer</u>	<u>Footnote</u>
\$ 1,518	12/5/2011	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - other tax sharing pass-through payment	Assembly Bill (AB) 1389 pass-through payment per Section 33607.5 and 33607.7 - other tax sharing pass-through payment	
<u>15,000</u>	6/30/2011	Repayment of Low and Moderate Income Housing Fund loan for the 2009-2010 SERAF payment.	Resolution No. 1059 authorizing a loan from the Low and Moderate Income Housing Fund for the payment of the 2009-2010 SERAF obligation required under AB X4 26 Section 33690.	
<u>\$ 2,336,946</u>	Total amount of transfers to other public agencies and private parties			
<u>\$ 13,414</u>	Total not enforceable obligations - to be added back to the Successor Agency			

**SUCCESSOR AGENCY TO THE SAN FERNANDO
 REDEVELOPMENT AGENCY
 DETAIL OF TRANSFERS FROM THE SUCCESSOR AGENCY
 TO OTHER PUBLIC AGENCIES OR TO PRIVATE PARTIES
 FOR THE PERIOD FEBRUARY 1, 2012 THROUGH JUNE 30, 2012**

<u>Amount of Transfer</u>	<u>Effective Date of Transfer</u>	<u>Purpose of Transfer</u>	<u>Basis of Transfer</u>
\$ 49,613	2/21/2012	Transfer to Trustee to provide for debt service interest payment of City of San Fernando Public Financing Authority 1998 Refunding Revenue (Tax Allocation) Bonds (Agency Loans)	City of San Fernando Public Financing Authority 1998 Refunding Revenue (Tax Allocation) Bonds (Agency Loans) official bond statement
161,723	2/21/2012	Transfer to Trustee to provide for debt service interest payment of San Fernando Redevelopment Agency Civic Center Redevelopment Project (Project No. 3) Tax Allocation Bonds, Series 2006	San Fernando Redevelopment Agency Civic Center Redevelopment Project (Project No. 3) Tax Allocation Bonds, Series 2006 official bond statement
<u>250,000</u>	6/30/2012	Repayment of Low and Moderate Income Housing Fund loan for the 2009-2010 SERAF payment.	Resolution No. 1059 authorizing a loan from the Low and Moderate Income Housing Fund for the payment of the 2009-2010 SERAF obligation required under AB X4 26 Section 33690.
<u>\$ 461,336</u>	Total transferred to other public agencies or private parties for debt service payments		

**SUCCESSOR AGENCY TO THE SAN FERNANDO
REDEVELOPMENT AGENCY
SUMMARY OF FINANCIAL TRANSACTIONS OF THE FORMER REDEVELOPMENT
AGENCY AND THE SUCCESSOR AGENCY**

	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
Assets				
Cash and investments	\$ 111,478	\$ 525,421	\$ 138,230	\$ 1,340,446
Restricted cash and investments	1,852,131	1,852,096	1,852,115	1,852,108
Receivables				
Taxes	393,975	176,077		
Accounts	-	104,175		
Interest	63,469	1,449		
Due from other funds	3,217,112	1,550,735		
Advances to other funds	3,037,303	2,155,802	2,953,869	2,703,869
Loans receivable	7,352,173	7,158,114	6,991,402	6,982,542
Land held for resale	1,468,733	468,733	468,733	468,733
Total Assets	\$17,496,374	\$ 13,992,602	\$ 12,404,349	\$ 13,347,698
Liabilities				
Accounts payable	\$ 191,592	\$ 240,255	\$ 40,689	\$ 541,630
Accrued liabilities	33,996	60,869	20,447	18,079
Deposits	17,500	17,500		
Due to other funds	3,217,112	1,550,735		
Due to City of San Fernando	140,000	22,236	22,236	22,236
Advances from other funds	3,037,303	2,155,802	2,953,869	2,703,869
Deferred revenue	7,339,223	7,158,114	6,991,402	6,982,542
Total Liabilities	13,976,726	11,205,511	10,028,643	10,268,356
Equity	3,519,648	2,787,091	2,375,706	3,079,342
Total Liabilities and Equity	\$17,496,374	\$ 13,992,602	\$ 12,404,349	\$ 13,347,698
Total Revenues	\$ 7,308,320	\$ 7,174,693	\$ 2,829,854	\$ 2,319,386
Total Expenditures	8,836,073	7,907,250	3,241,239	1,103,692
Total Transfers	463,000	-	-	(512,058)
Net Change in Equity	(1,064,753)	(732,557)	(411,385)	703,636
Beginning Equity	4,584,401	3,519,648	2,787,091	2,375,706
Ending Equity	\$ 3,519,648	\$ 2,787,091	\$ 2,375,706	\$ 3,079,342
Other Information				
Capital assets as of end of period	\$ 2,623,430	\$ 1,171,847	\$ 1,166,021	\$ 1,166,021
Long-term debt as of end of period	18,255,324	16,833,624	15,606,782	15,037,296

SUCCESSOR AGENCY TO THE SAN FERNANDO
 REDEVELOPMENT AGENCY
**DETAIL OF ASSETS OF ALL OTHER FUNDS (EXCLUDING THE LOW
 AND MODERATE INCOME HOUSING FUND)**
 AS OF JUNE 30, 2012

Asset Description	Amount
Cash	\$ 1,318,652
Cash - restricted	19,520
Investments with fiscal agent - restricted	1,852,108
Receivables - noncurrent	5,238,087
Land held for resale	468,733
Capital Assets Not Being Depreciated	
Land	37,286
Capital Assets Being Depreciated	
Equipment	5,413
Less: Accumulated depreciation	<u>(2,007)</u>
Total	<u>\$ 8,937,792</u>

**SUCCESSOR AGENCY TO THE SAN FERNANDO
 REDEVELOPMENT AGENCY
 DETAIL OF UNSPENT BOND PROCEEDS AND OTHER ASSETS
 CONSIDERED TO BE LEGALLY RESTRICTED
 AS OF JUNE 30, 2012**

<u>Asset Description</u>	<u>Amount</u>	<u>Accounting Records or Supporting Documentation</u>	<u>Legal Document That Sets Forth Restrictions</u>	<u>Time Limit on Restrictions</u>	<u>Footnote</u>
Unspent bond proceeds	\$ 19,520	General ledger detail	Official bond statement for the San Fernando Redevelopment Agency Civic Center Redevelopment Project (Project No. 3) Tax Allocation Bonds, Series 2006	The restriction is in place until the related assets are expended for their intended purpose.	(1)
Investment with fiscal agents	<u>1,852,108</u>	Various June 2012 US Bank statements	Various Official Bond Statements for the bond issues of the former redevelopment agency that require bond debt service reserve accounts	The restriction is in effect as long as the bonds are outstanding.	(2)
Total	<u><u>\$ 1,871,628</u></u>				

Footnotes:

(1) The Bonds were issued by the former redevelopment agency to provide funds to finance public capital improvements. The former RDA received the proceeds of the Bonds and deposited the proceeds into the Redevelopment Revolving Fund to be expended for such purposes.

(2) The Bonds were issued by the former redevelopment agency to provide funds to finance public capital improvements. The Bonds require the establishment of reserve funds in an amount at least equal to the maximum annual debt service of the Bonds.

SUCCESSOR AGENCY TO THE SAN FERNANDO
 REDEVELOPMENT AGENCY
**DETAIL OF ASSETS THAT ARE NOT LIQUID OR OTHERWISE
 AVAILABLE FOR DISTRIBUTION**
 AS OF JUNE 30, 2012

Asset Description	Amount	Amount from June 30, 2011 Audited Financials	Difference	Reason for Difference
Receivables - noncurrent	\$ 5,238,087	\$ 5,369,535	\$ (131,448)	Decrease is due to principal payments received in the fiscal year ended June 30, 2012.
Land held for resale	1,468,733	468,733	1,000,000	(1)
Capital Assets Not Being Depreciated				
Land	390,684	37,286	353,398	(1)
Capital Assets Being Depreciated				
Equipment	5,413	5,413	-	
Less: Accumulated depreciation	(2,007)	(2,007)	-	
Totals	<u>\$ 7,100,910</u>	<u>\$ 5,878,960</u>	<u>\$ 1,221,950</u>	

(1) Capital assets amounting to \$1,353,398 were transferred from the former redevelopment agency to the City of San Fernando on March 7, 2011.

**SUCCESSOR AGENCY TO THE SAN FERNANDO
REDEVELOPMENT AGENCY
DETAIL OF CASH BALANCES NEEDED TO SATISFY ROPS OBLIGATIONS
FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013
AS OF JUNE 30, 2012**

ROPS Item #	Project Name/Debt Obligation	Payee	Description	Total Six-Month Obligation	Dollar Amount to Retain
1	1998 Tax Allocation Bonds Series	US Bank	Bonds issued for the purpose of refinancing prior bonds from 1987 and 1991 and financing additional RDA activities. Council Resolution #6608.	\$ 649,613	\$ 649,613
2	2006 Tax Allocation Bonds Series	US Bank	Bonds issued for the purpose of City Yard relocation, Maclay Streetscape, and the Regional Aquatics facility. Council Resolution #7158, RDA Resolution 952.	841,723	841,723
3	1998 and 2006 Tax Allocation Bonds	US Bank	Fiscal agent fees and continuing disclosure fees charged by the Trustee (U.S. Bank) to administer the 1998 and 2006 bonds.	3,500	3,500
4	Retirement override assessment	City of San Fernando - retirement fund	Accounting entry adjustment for the period from FY 2004-2005 through FY 2009-2010.	50,000	-
6	Agency repayment of Sewer Fund loan	San Fernando Public Finance Authority	Approved ROPS obligation: Per Council Resolution #7362 dated February 16, 2010, the Sewer Fund invested monies into PA #2 and #4.	79,492	-
12	Wilshire Ventures - attorney fees	Aleshire Wynder, LLP	Ongoing Agency litigation regarding expired Exclusive Negotiation Agreement with Wilshire Ventures.	25,107	25,107
13	LAUSD litigation fees	Richards, Watson and Gershon	Ongoing attorney fees associated with defense of the Agency/Successor Agency regarding LAUSD lawsuit challenging prior fiscal years pass-through payments.	9,000	9,000
15	DDA with Haagen/Tiangus	San Fernando Mission Partnership	Payment of developer loan per Disposition and Development Agreement between the Agency and the Developer (San Fernando Mission Partnership/Tiangus) to facilitate redevelopment project at San Fernando Mission Blvd.	60,000	60,000
7 - 11	Administrative cost	Various	Successor Agency administrative cost allowance	125,000	12,510
Total obligations for ROPS July 1, 2012 through December 31, 2012				\$ 1,843,435	\$ 1,601,453

**SUCCESSOR AGENCY TO THE SAN FERNANDO
REDEVELOPMENT AGENCY
DETAIL OF CASH BALANCES NEEDED TO SATISFY ROPS OBLIGATIONS
FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013
AS OF JUNE 30, 2012**

ROPS Item #	Project Name/Debt Obligation	Payee	Description	Total Six-Month Obligation	Dollar Amount to Retain
1	1998 Tax Allocation Bonds Series	US Bank	Bonds issued for the purpose of refinancing prior bonds from 1987 and 1991 and financing additional RDA activities. Council Resolution #6608.	\$ 33,863	-
2	2006 Tax Allocation Bonds Series	US Bank	Bonds issued for the purpose of City Yard relocation, Maclay Streetscape, and the Regional Aquatics facility. Council Resolution #7158, RDA Resolution #952.	150,248	-
3	1998 and 2006 Tax Allocation Bonds	US Bank	Fiscal agent fees and continuing disclosure fees charged by the Trustee (U.S. Bank) to administer the 1998 and 2006 bonds.	1,829	-
6	Agency repayment of Sewer Fund loan	San Fernando Public Finance Authority	Approved ROPS obligation: Per Council Resolution #7362 dated February 16, 2010, the Sewer Fund invested monies into PA #2 and #4.	320,434	-
12	Wilshire Ventures - attorney fees	Aleshire Wynder, LLP	Ongoing Agency litigation regarding expired Exclusive Negotiation Agreement with Wilshire Ventures.	5,000	-
13	LAUSD litigation fees	Richards, Watson and Gershon	Ongoing attorney fees associated with defense of the Agency/Successor Agency regarding LAUSD lawsuit challenging prior fiscal years pass-through payments.	9,000	-
14	Project #1/89 Annex	County of Los Angeles	Repayment of Agency loan agreement #60882 with Los Angeles County for deferral of pass-through payments to meet Agency's debt service obligations	111,930	-
18	Due Diligence Review as required by AB 1484	TBD	As part of AB 1484, California Health and Safety Code Section #34179.5(a) requires each successor agency to select and employ a licensed accountant to complete a "due diligence" review.	15,000	-
7 - 11	Administrative cost	Various	Successor Agency administrative cost allowance	237,161	-
Total obligations for ROPS January 1, 2013 through June 30, 2013				\$ 884,465	\$ -
Total ROPS obligations for the fiscal year ending June 30, 2013				<u>\$ 2,727,900</u>	
Cash dedicated for ROPS 2 obligations					\$ 1,601,453
Cash deficit					<u>(283,640)</u>
Cash available for retention					<u>\$ 1,317,813</u>

SUCCESSOR AGENCY TO THE SAN FERNANDO
 REDEVELOPMENT AGENCY
**CALCULATION OF CURRENT UNRESTRICTED BALANCES THAT NEED
 TO BE RETAINED**
 AS OF JUNE 30, 2012

The amount of current unrestricted balances that need to be retained is
 calculated as follows:

		<u>Footnote</u>
Identified current dedicated or restricted balances	\$ 1,601,453	
Less cash deficit	283,640	
Add disallowed transfers - liquid	242,414	
Add forecasted fiscal year ending June 30, 2013 annual revenues	<u>152,018</u>	(1)
Amount of total resources available to fund enforceable obligations	1,712,245	
Forecasted annual spending requirements for fiscal year ending June 30, 2013	<u>2,727,900</u>	
Amount of Current Unrestricted Balances That Need to be Retained	<u>\$ (1,015,655)</u>	

(1) Revenues include principal and interest payments on long-term notes receivable.